

The following accreditation test will help you to familiarise yourself with our benefits and better understand what we can offer your clients. In this test, we cover benefits for individuals and group business.

There are 2 sections to this test:

## Section A - FMI for Individuals:

This section covers FMI Temporary Income Protector, Extended Income Protector, and Lump Sum Disability benefits, as well as other related optional benefits.

## Section B - FMI for Groups:

This section covers FMI Vision - providing Income Protection and related benefits to employees who are ill, injured, or unable to work.

Please submit your completed test to [contracts@fmi.co.za](mailto:contracts@fmi.co.za) or fax 031 502 7006.

We require a minimum score of 85% for you to start selling FMI products.

Financial Adviser Name: \_\_\_\_\_

Brokerage: \_\_\_\_\_

MB Number: \_\_\_\_\_

## Section A - FMI for Individuals (BPE)

1. The total monthly cover that may be chosen for Temporary Income Protection is the lesser of \_\_\_\_ and \_\_\_\_ of salary.
  - a. R100,000 per month / 100%
  - b. R150,000 per month / 75%
  - c. R120,000 per month / 75%
  - d. R150,000 per month / 100%
  
2. In the event of the Driver's Extension paying out, it will pay out for:
  - a. R100 per day for 100 days
  - b. R250 per day for 100 days
  - c. R250 per day for maximum of selected benefit cover period
  - d. None of the above
  
3. Which of the following statements is TRUE of the TIP Hospitalisation Enhancer?
  - a. It is a compulsory benefit
  - b. The benefit will pay an additional 20% of the TIP cover for the duration of hospitalisation for a maximum of 3 months
  - c. The benefit will enhance the TIP pay-out by 20% for any periods of hospitalisation during the first 6 months of the TIP claim
  - d. The benefit will enhance the TIP pay-out by 20% for any periods of hospitalisation. The enhancement only enhances the payment by 20% for a maximum period of 6 months.
  
4. Which of the following statements is TRUE of the TIP Hospitalisation Enhancer?
  - a. It is not underwritten
  - b. It uses the Own / Similar definition of occupation
  - c. It is a free benefit
  - d. The cover is fixed at 20% of the TIP benefit cover
  
5. What is the purpose of the TIP Dread Disease Enhancer?
  - a. To enhance TIP pay-outs by 20% for TIP claims as a result of a Dread Disease
  - b. To enhance TIP pay-outs by 25% for TIP claims as a result of a Dread Disease
  - c. To enhance TIP pay-outs by 20% for claims as a result of Dread Disease and hospitalisation
  - d. To pay out for claims arising from the Dread Disease where the 7 day waiting period has been selected

6. Which of the following expenses will not be covered under the Business Overhead Protection Benefit?
- a. Salaries of employees
  - b. Subscriptions to professional bodies
  - c. Rent or Mortgage expenses
  - d. Business Owner's salary
7. The clients must be able to provide Proof of Business Overhead Expenses:
- a. At time of application
  - b. At time of claim
  - c. At time of application, however, they may also be required to do so at claim stage
  - d. Proof of overhead expense is not required
8. The maximum monthly cover available under the Extended Income Protector is the lesser of \_\_\_\_ and \_\_\_\_ of salary.
- a. R100,000 / 75%
  - b. R100,000 / 66%
  - c. R120,000 / 75%
  - d. R150,000 / 100%
9. Which of the following is TRUE?
- a. The Death Income benefit is a 6 or 12 month benefit payable on death of the policyholder
  - b. The Death Income benefit amount is R15,000
  - c. The Death Income benefit has a waiting period of 1 month
  - d. The Death Income benefit is not underwritten
10. Which of the following is TRUE?
- a. The Lump Sum Disability benefit only pays out if the Life Insured is totally and permanently unable to perform their own occupation
  - b. The maximum cover under the Lump Sum Disability benefit is R7.5 million
  - c. The Lump Sum Disability benefit is available to all policyholders regardless of the TIP benefit term they have selected
  - d. The Lump Sum Disability benefit will pay a partial claim pay-out if you are only able to perform a part of your occupation
11. Which of the following is FALSE?
- a. Cover on the Lump Sum Disability benefit can be increased by up to 25% without underwriting on marriage, birth or adoption of a child, or death of a spouse
  - b. Immediate cover applies on the Lump Sum Disability benefit
  - c. The Lump Sum Disability benefit amount will be aggregated with the Extended Income Protector cover amount at application and claim stage
  - d. The Lump Sum Disability benefit will pay out before the end of the waiting period if FMI can determine the permanency of the disability before the end of the waiting period
12. Which of the following is not an exclusion?
- a. Atomic energy, nuclear fission or reaction
  - b. Self-inflicted injury
  - c. Psychological claims
  - d. Aviation, other than as fare-paying passenger
13. Which of the following is FALSE regarding the Guaranteed Sickness Payment?
- a. If the Life Insured suffers a minor infection, they only need to submit a doctor's note in order to claim for the first 14 days after they first consulted the doctor. The period after 14 days is subject to a full occupational disability assessment.
  - b. If the Life Insured is not hospitalised for at least 24 hours for the minor infection, the claim payment will only be made from day 8 of the condition (i.e. payments are not backdated)
  - c. The Life Insured must be hospitalised, undergo diagnostic testing, or have a specialist referral in order to claim
  - d. The Guaranteed Sickness Payment only applies to the Primary waiting period on the TIP and BOP benefits

14. Elective procedures:
- a. Are not covered
  - b. Require notification to FMI 7 days before the procedure
  - c. Require notification to FMI 14 days before the procedure
  - d. Require notification to FMI 21 days before the procedure
15. If a claim is accepted, the premium amount to be waived:
- a. will be waived in advance
  - b. will be waived only for the benefit which is being claimed for
  - c. will be refunded at the end of the benefit period
  - d. will be waived for all of the premiums on the policy
16. Premiums are guaranteed for:
- a. 1 year
  - b. 5 years
  - c. 7 years
  - d. There is no guarantee term
17. If a premium is not paid on time, we will:
- a. Allow a 30 day grace period
  - b. Cancel the policy immediately
  - c. Advise the financial adviser
  - d. Allow a grace period of 60 days to pay
18. FMI's claim philosophy states that:
- a. FMI does not aggregate during the first 12 months of TIP claim
  - b. We do not require proof of loss of income at claim stage
  - c. FMI will pay the cost of the medical claim forms at lodging stage
  - d. All of the above
19. In the event of a claim, what period of time is allowed for notification of the lodging of the claim?
- a. 15 days
  - b. 30 days
  - c. 45 days
  - d. 60 days
20. Mary is in claim for 60 days. How many days before the end of her claim should she notify FMI that she would like to extend her claim period?
- a. 30 days
  - b. 45 days
  - c. 7 days
  - d. the length of her waiting period
21. With regards to the Annual Review Option which of the following statements is FALSE?
- a. Every year on DOC all policyholders under the age of 35 will be able to increase cover by a maximum of 20%
  - b. All policyholders between 35 and 55 will be able to increase cover by CPI x 2 or 20%, whichever is the lesser
  - c. It remains available if the policyholder had been medically loaded or has claimed in the past
  - d. You cannot use it to increase cover by more than R125,000

22. What is the Re-Instatement Option?
- a. It allows cover to be increased by either 5%, 7.5% or 10% on every policy anniversary without medical underwriting
  - b. It is an option to continue the Annual Review Option after it has fallen away
  - c. If cover is reduced on policy anniversary by using the Annual Review Option, then the policyholder has the option to return to the same cover level before the reduction without medical underwriting. This can only be exercised on the next policy anniversary after a reduction in cover.
  - d. It allows clients who had cover on old FMI products to take out Business Person Elect without medical underwriting
23. Which of the following statements is TRUE concerning the Immediate Cover Benefit?
- a. The benefit will allow one to claim for any benefit before the first premium has been paid, only if the first premium is due in the next month
  - b. The benefit will allow one to claim for any benefit before the first premium has been paid, even for forward-dated policies
  - c. FMI will impose a 1 month waiting period but a claim can be lodged before the first premium is paid
  - d. FMI will pay the claim from the first day of the next month
24. The Future Income Protector Option:
- a. is not underwritten
  - b. allows the policyholder to add additional benefits to a BPE policy at a later date without underwriting
  - c. allows the client to increase the Sum insured on TIP / EIP / BOP and Lump Sum Disability by up to 300% over a pre-determined time frame
  - d. allows the client to increase the Sum insured on TIP / EIP / BOP and Lump Sum Disability by up to 400% over a pre-determined time frame
25. Which of the following statements is TRUE?
- a. Each policyholder is allowed to exercise each Continuation benefit once per benefit
  - b. Policies that elect to use the Continuation Benefit are fully medically underwritten
  - c. Clients in claim on the termination date will not be eligible for the Continuation Option
  - d. The Continuation Option will follow the terms and conditions applicable to the original benefit in terms of ABI, premium pattern, waiting periods, benefit terms etc.
26. Which of the following options is FALSE concerning Continuation Option benefits?
- a. They are capped at 75% of income
  - b. They are capped at 75% cover of the original benefit
  - c. They will be restricted to a minimum waiting period of 30 days and a maximum benefit term of 12 months for TIP and BOP
  - d. The Extended Income Protector and Lump Sum Disability Continuation waiting period is capped at a minimum of 12 months
27. Depending on the termination age chosen, the maximum entry age is:
- a. Term age 55: 51 age next birthday
  - b. Term age 60: 56 age next birthday
  - c. Term age 70 or Retirement Extender Selected: 66 age next birthday
  - d. All of the above
28. Which of the following is TRUE?
- a. The 14 day waiting period is retrospective
  - b. The 14 day waiting period is only available to salaried individuals
  - c. The 14 day waiting period is available to all policyholders on TIP
  - d. There is no 14 day waiting period on FMI income protection benefits

29. What does 'Occupational Disability definition' mean?
- a. This means we assess the individual's ability to perform their stated duties and pay accordingly
  - b. This means that we assess the individual's ability to prove loss of income due to incapacitation
  - c. This means that we assess the individual's ability to perform their duties and will pay out on a sick note provided by a doctor
  - d. This means that we assess the individual's condition against a functional impairment table and pay accordingly
30. Which of the following is FALSE regarding the Retirement Extender?
- a. At age 70, if the Life Insured is still working, we will activate the Temporary Income Protector 75 benefit, which provides occupational disability cover to age 75
  - b. At age 70, if the Life Insured had the Extended Income Protector benefit, we will activate the Long-term Care Protector benefit, which provides functional impairment cover to death
  - c. The Retirement Extender can be added to a BPE policy at any stage
  - d. All existing benefits are cancelled at the policy anniversary following the Life insured's 70th birthday and replaced by the new activated benefits
31. The Child Protector benefit:
- a. Provides disability and critical illness cover on the Life Insured's child's life and will pay out for 3 months
  - b. Provides disability and critical illness cover on the child's life and can pay out until the child's 18th birthday if they meet the requirements for a claim
  - c. Provides disability and critical illness cover on the child's life, and pays out 30% of TIP cover until the child's 18th birthday
  - d. Pays a lump sum on diagnosis of a critical illness in the Life Insured's child
32. The Spouse Protector benefit pays out:
- a. 50% of the cover selected on the Temporary Income Protector Benefit, up to a maximum of R20 000 monthly for a maximum of 6 months
  - b. 100% of the cover selected on the Temporary Income Protector Benefit, up to a maximum of R15 000 monthly for a maximum of 2 months
  - c. A lump sum equal to the Life Insured's total TIP cover if their spouse is permanently disabled
  - d. 100% of the cover selected on the Temporary Income Protector Benefit, up to a maximum of R20 000 monthly for a maximum of 3 months
33. The Death Income benefit will pay:
- a. Monthly for 6 months an amount equal to 100% of the monthly TIP benefit
  - b. Monthly for 6 or 12 months (depending on the option selected at application stage), an amount equal to 100% of the monthly TIP benefit that existed at the date of death
  - c. A lump sum equal to 6 or 12 months' TIP benefit
  - d. Monthly for 12 months an amount equal to 100% of the monthly TIP benefit
34. The Long-term Care Protector will pay out:
- a. If the Life Insured is functionally impaired
  - b. If the Life Insured is unable to perform their own occupation
  - c. If the Life Insured is diagnosed with a critical illness
  - d. If the Life Insured is hospitalised
35. The Temporary Income Protector 75 will pay out:
- a. Monthly for a maximum of 24 months
  - b. Monthly for a maximum of 12 months
  - c. Monthly for a maximum of 12 months. In addition to this, this benefit will make a total of 11 monthly payments across any number of claims, at which point this benefit falls away.
  - d. Monthly to death

36. The Lump Sum Disability benefit is designed to cover:
- a. Long-term loss of income on permanent disability if you cannot work in your own or own similar occupation
  - b. Long-term loss of income on permanent disability if you cannot work in your own occupation or if you are functionally impaired
  - c. Long-term loss of income on permanent disability if you cannot work in your own occupation
  - d. Long-term loss of income as a result of a critical illness
37. The Retrenchment benefit will pay out if you:
- a. Are formally retrenched from full-time employment in terms of a legal process in accordance with labour legislation, for 6 months at 100% of the TIP benefit up to R20 000
  - b. Take voluntary retrenchment, for 3 months at 75% of your TIP benefit up to a maximum of R15 000
  - c. Are formally retrenched from full-time employment in terms of a legal process in accordance with labour legislation, for a period of 6 months at 75% of the TIP benefit to a maximum of R30 000
  - d. Are formally retrenched from full-time employment in terms of a legal process in accordance with labour legislation, for a period of 24 months at 75% of the TIP benefit to a maximum of R30 000
38. Which of the following is FALSE regarding the Childbirth benefit?
- a. The Childbirth benefit applies to all waiting periods
  - b. Will pay out a lump sum amount equal to a policyholder's total monthly BPE premium multiplied by 12
  - c. Will only pay out if the date of birth is at least 9 months after the policy's commencement date
  - d. It applies if the male Life Insured fathers a child
39. Under the loss of income approach, the loss of income percentage is equal to:
- a. Income lost over the period of incapacitation due to disability
  - b. Income lost over the period of disability divided by income that would have been earned had the disability not occurred
  - c. Income lost over the period of disability due to inability to perform duties
  - d. Income earned over the period of disability divided by income that would have been earned had the disability not occurred
40. In order for the Extended Income Protector benefit to pay out, you need to be:
- a. Unable to perform the duties of your own occupation due to an illness or injury, or be functionally impaired
  - b. Unable to perform the duties of your own occupation due to an illness or injury
  - c. Unable to perform the duties of your own occupation due to an illness or injury and functionally impaired
  - d. Permanently unable to perform the duties of your own occupation due to an illness or injury, or be functionally impaired

## Section B - FMI for Groups (Vision)

1. What is the minimum number of members for a Vision group?
  - a. 1
  - b. 5
  - c. For compulsory groups the minimum number of members is 1, for voluntary schemes the minimum is 5 members
  - d. None of the above. The minimum number of members depends on which benefits are chosen.
  
2. For Vision, the minimum joining age is \_\_\_\_\_, the maximum joining age is \_\_\_\_\_ and the termination age is \_\_\_\_\_.
  - a. 18, 61 and 65
  - b. 18, 55 and 65
  - c. 18, 70 and 75
  - d. The ages described above are not constant across all benefits. Therefore the minimum and maximum entry ages and the cessation age will depend on what benefits we are referring to.
  
3. A small business has 2 owners and 8 blue collar workers. The owners want different benefits to the workers. Which of the following is TRUE?
  - a. This is not possible. They will need to have the same benefits across the whole group.
  - b. The ONLY way this can be done is by creating 2 separate Vision groups, 1 for the management and 1 for the workers
  - c. A group may be formed with 2 levels. 1 level for the management and the other for the staff. The group structure may be voluntary or compulsory.
  - d. A group may be formed with 2 levels. 1 level for the management and the other for the staff. The group structure must be compulsory.
  
4. What is the admin fee on Vision per month?
  - a. There is no admin fee
  - b. A flat rate of R100 for the whole group per month
  - c. R15 per member per month
  - d. R25 per member per month
  
5. What is the commission structure on Vision?
  - a. Upfront annualised
  - b. Upfront annualised or upfront monthly
  - c. As and when
  - d. As and when or upfront annualised
  
6. For Vision there are 3 benefits, of which all groups must have at least 1. Which of the following is not one of these benefits?
  - a. Temporary Income Protection
  - b. Accidental Death
  - c. Life Cover
  - d. Funeral Cover
  
7. The maximum that can be covered on the Temporary Income Protector Benefit is the lesser of \_\_\_\_\_ and \_\_\_\_\_.
  - a. R15,000 / 75% of income
  - b. R25,000 / 75% of income
  - c. R15,000 / 100% of income
  - d. R25,000 / 100% of income

8. A group has 2 levels. Which of the following is TRUE?
- a. If Temporary Income Protection is selected, then all members in the group need to have the benefit, and they must have the same cover amount
  - b. If Temporary Income Protection is selected, then all members in the group need to have the benefit, and they must have the same percentage of salary covered
  - c. Each level may select to have the Temporary Income Protector, which means that all members in the level will have to have the benefit. The members within a level may have different cover amounts.
  - d. Each level may select to have the Temporary Income Protector, which means that all members in the level will have to have the benefit. However, the members within a level must have the same cover amounts.
9. Concerning the Income Protection Benefit, which of the following is FALSE?
- a. It is only paid out as a result of an accident
  - b. It is the only benefit to the employer
  - c. It has a 30 day waiting period and a 12 or 24 month benefit term
  - d. There is no underwriting on this benefit for cover amounts up to R15,000
10. A member has Income Protection of R8,000 per month. He is diagnosed with TB and is booked off work for 2 months. He returns to work for 2 weeks, after which he is booked off work for a further month because of complications from the TB. What should happen?
- a. Nothing is paid out for illnesses
  - b. The member is paid R8,000 for the second month of the first period of disability. Nothing is paid for the second period of disability because of the 1 month waiting period.
  - c. There is no pay-out during the first month as this is the 30 day waiting period. The member is paid R8,000 for the second month of the first period of disability. The member is paid a further R8,000 for the next period of illness because both periods are treated as 1 claim.
  - d. There is no pay-out during the first month as this is the 30 day waiting period. The employer is paid R8,000 for the second month of the first period of disability. The employer is paid a further R8,000 for the next period of illness because both periods are treated as 1 claim.
11. Which of the following is FALSE regarding the Life Cover option?
- a. Maximum cover is the lesser of R300,000 and 4 times annual salary
  - b. If selected, all members within a level must have the same multiple of salary covered
  - c. The free cover limit is R100,000. This means that members will need to undergo underwriting for cover above this amount.
  - d. Life Cover is a pre-requisite for Dread Disease Cover (Dread Disease accelerates off Life Cover)
12. Which of the following is the ONLY CIRCUMSTANCE under which Life Cover will NEVER pay for an AIDS related death?
- a. Any AIDS related death in the first 12 months of being a member
  - b. Any AIDS related death where the member did not take anti-retroviral drugs
  - c. Any AIDS related death in the first 12 months after joining the group will be deemed pre-existing if there is any proof that the policyholder knew that they were HIV positive, or had received any treatment in the 6 months prior to joining the group
  - d. AIDS related claims are never paid
13. Within a single level, which of the following concerning the Funeral Benefit is TRUE?
- a. All members must select the same cover option (1,2,3,4) but individual members may have either member only cover or member plus family regardless of the rest of the level
  - b. Members may select any cover option (1,2,3,4) regardless of the rest of the level but individual members must all have either member only cover or member plus family cover
  - c. Members within levels must all have the same cover option and all must be either member only or member plus family
  - d. Members within levels must all have the same cover option and all must be either member only or member plus family. They must also have the same number of extended family members covered.



14. Which of the following relationships are not covered as spouses under the Funeral Benefit?
- a. Common law relationships (including same sex relationships)
  - b. People married under the tenets of any Asian religion
  - c. People married under tribal law
  - d. All of the above relationships are covered
15. What is the maximum number of spouses and children under 21 that can be covered under the Funeral Benefit?
- a. Only 1 spouse and all biological and adopted children of the member
  - b. 2 spouses and 6 children
  - c. Members may cover any number of spouses and children; however only the first 2 spouses and first 6 children claimed for will be covered
  - d. Members may cover any number of spouses and children; however they pay an additional premium for each additional spouse and each additional child after the first 6 children
16. Which of the following regarding the Funeral Benefit is FALSE?
- a. The member may add cover for up to 6 of their extended family members
  - b. Deaths by natural causes are not paid out for the first 30 days of a member joining the group
  - c. Extended family cover is R3,000
  - d. The premium paid for Funeral Cover depends on how many spouses and dependents the member elects to cover
17. For both Dread Disease and Capital Disability, the maximum cover is the lesser of \_\_\_\_\_ and \_\_\_\_\_ times annual salary. The free cover limit is \_\_\_\_\_.
- a. R100,000 / 2 / R60,000
  - b. R150,000 / 3 / R100,000
  - c. R200,000 / 3 / R120,000
  - d. R300,000 / 3 / R150,000
18. Which of the following is required for Dread Disease Cover?
- a. Life Cover - Dread Disease accelerates off Life Cover
  - b. Life Cover is required for Dread Disease, but Dread Disease is still a stand-alone benefit (i.e. does not accelerate off Life Cover)
  - c. A minimum of 10 members need to take out Dread Disease
  - d. Dread Disease cannot be selected with Capital Disability
19. Which of the following will not result in a Dread Disease pay-out?
- a. Major burns
  - b. Parkinson's Disease or Alzheimers
  - c. AIDS
  - d. Deafness or loss of hearing
20. Dread Disease Cover offers some protection for a member's children. Which of the following describes this benefit?
- a. The member needs to nominate his / her children, and select how much he / she wants to cover them for
  - b. The Dread Disease Benefit will pay out R10,000 if any of the member's children are diagnosed with any of the Dread Diseases in the policy wording
  - c. The Dread Disease Benefit pays out 10% of the Dread Disease Cover if any of the member's children are diagnosed with any of the Dread Diseases in the policy wording. This pays out for the first 2 children to be claimed for.
  - d. The Dread Disease Benefit pays out 10% of the Dread Disease Cover if any of the member's children are diagnosed with any of the Dread Diseases in the policy wording. This pays out for any number of claims.

21. Which of the following regarding the Capital Disability Benefit is FALSE?

- a. It accelerates off the Life Cover Benefit
- b. Temporary Income Protection is a pre-requisite for Capital Disability
- c. There is a 6 month waiting period from when the member is disabled until payment
- d. Cover is 1, 2 or 3 times annual salary

22. Which of the following regarding the Accidental Death and Accidental Permanent Disability is FALSE?

- a. Accidental Death Cover is fixed at R15,000
- b. For Accidental Permanent Disability, R30,000 is paid as a lump sum to the Life Assured as per the schedule
- c. Accidental Death and Accidental Permanent Disability must be selected together
- d. Within levels, if either benefit is selected then all members must have the benefit

23. The definition of pre-existing condition on Vision is as follows:

In the event that a claim arises in the first \_\_\_\_\_ months following the commencement of the benefit or benefit improvement, no benefit will be payable if the cause of the claim was as a result of an illness, disease, injury or accident for which the Life Assured was treated or could reasonably have known about in the months, prior to commencement of the benefit or benefit improvement.

- a. 24 / 24
- b. 12 / 12
- c. 24 / 6
- d. 12 / 6